# BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA

### TUESDAY, JULY 12, 2016 @ 1:30 P.M.

### COMMISSIONERS CHAMBERS 515 CENTER AVENUE - 4<sup>TH</sup> FLOOR BAY CITY, MI 48708

| PAGE    | I.   | CALL  | TO ORD           | ER                   |   |  |  |  |  |  |  |
|---------|------|-------|------------------|----------------------|---|--|--|--|--|--|--|
|         | П.   | ROLL  | CALL             |                      |   |  |  |  |  |  |  |
|         | III. | MINU  | MINUTES          |                      |   |  |  |  |  |  |  |
| 1 - 8   |      | A.    | A. JUNE 14, 2016 |                      |   |  |  |  |  |  |  |
|         | IV.  | PUBL  | PUBLIC INPUT     |                      |   |  |  |  |  |  |  |
|         | V.   | PETIT | TIONS &          | СОММ                 | JNICATIONS  |  |  |  |  |  |  |
| 9 - 11  |      | A.    | MON              | THLY R               | EPORTS – <b>RES NO. 2016-31</b>   |  |  |  |  |  |  |
|         |      |       | 1.               | PORT                 | FOLIO VALUE - 1/1/16 - 7/31/2016  |  |  |  |  |  |  |
|         |      |       | 2.               | CHAN                 | IGE IN BOOK AND MARKET VALUE – 6/30/16  |  |  |  |  |  |  |
|         |      |       | 3.               | MONI<br>DATE         | EY MANAGERS ON WATCH - (EFFECTIVE   |  |  |  |  |  |  |
|         |      |       |                  | a.                   | NONE  |  |  |  |  |  |  |
|         |      |       | 4.               | MON                  | EY MANAGER REPORTS  |  |  |  |  |  |  |
| 12-31   |      |       |                  | a. b. c. d. e. f. g. | CORNERSTONE – ENDING 5/31/16<br>EAGLE ASSET MGMT - ENDING 5/31/16<br>HOTCHKIS & WILEY – ENDING 5/31/16<br>LOOMIS SAYLES - ENDING 5/31/16<br>MACKAY SHIELDS - ENDING 5/31/16<br>MFS HERITAGE TRUST – ENDING 5/31/16<br>MFS INVESTMENT - ENDING 5/31/16 |  |  |  |  |  |  |
| •       |      |       | 5.               | RECA                 | PTURE SERVICES  |  |  |  |  |  |  |
| 32 - 39 | •••• |       |                  | a.<br>b.             | ABEL/NOSER - SUMMARY ENDING 5/31/16<br>CAPIS - SUMMARY ENDING 5/31/16 & 2016<br>Q1 REPORT   |  |  |  |  |  |  |
| 40 - 45 |      |       | 6.               | NOR                  | THERN TRUST   |  |  |  |  |  |  |
|         |      |       |                  | a.                   | SUMMARY EARNINGS - ENDING 5/31/16   |  |  |  |  |  |  |
| 46      |      |       | 7.               | REFU                 | INDS/RETIREMENTS ENDING 6/30/16   |  |  |  |  |  |  |
| 47 - 53 |      |       | 8.               | BCEF                 | RS YTD BUDGET REPORT – ENDING 6/30/16   |  |  |  |  |  |  |
| 54      |      |       | 9.               | INVC                 | DICES APPROVED – 6/30/16  |  |  |  |  |  |  |

# BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA

### TUESDAY, JULY 12, 2016 @ 1:30 P.M.

# COMMISSIONERS CHAMBERS 515 CENTER AVENUE - 4<sup>TH</sup> FLOOR BAY CITY, MI 48708

|         |       | BAY CITY, MI 48708   |
|---------|-------|--|
| 55 – 77 |       | C. CORRESPONDENCE  |
|         |       | <ol> <li>FROM PGIM REGARDING CALL FOR CAPITAL FOR<br/>PRISA REAL ESTATE INVESTMENT (MOTION TO<br/>RECEIVE)</li> </ol>  |
|         |       | 2. REBALANCE ASSET ALLOCATION: (MOTION TO RECEIVE)   |
|         |       | <ul><li>a. COLUMBIA</li><li>b. CORNERSTONE</li><li>c. MACKAY SHIELDS</li><li>d. MFS</li></ul>  |
|         |       | 3. TO NORTHERN TRUST – PROCESS CAPITAL CALL (MOTION TO RECEIVE)  |
|         |       | 4. FROM PGIM REGARDING OPERATING CASH FLOW DISTRIBUTION (MOTION TO RECEIVE)  |
|         |       | 5. FROM PRISA – MINUTES OF PRISA ADVISORY COUNCIL MEETING (MOTION TO RECEIVE)  |
|         |       | 6. REGARDING EUROPEAN UNION REFERENDUM BREXIT (MOTION TO RECEIVE)  |
|         |       | <ul><li>a. PGIM</li><li>b. SCHRODERS</li><li>c. LOOMIS SAYLES</li></ul>  |
|         | VI.   | ANNOUNCEMENTS  |
|         |       | A. NEXT REGULAR MEETING – AUGUST 9, 2016 AT 1:30 P.M<br>COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4 <sup>TH</sup><br>FLOOR, BAY CITY, MI 48708                                   |
| 78      |       | B. MAPERS 2016 FALL CONFERENCE SUNDAY, SEPTEMBER 18, 2016 TO TUESDAY, SEPTEMBER 20, 2016 AT THE GRAND HOTEL, MACKINAW ISLAND. IF YOU WISH TO ATTEND, PLEASE CONTACT KATIE MEETH. |
|         | VII.  | UNFINISHED BUSINESS  |
|         | VIII. | NEW BUSINESS   |

MAPERS ACCOMMODATIONS

MISCELLANEOUS BUSINESS

ADJOURNMENT

IX.

X.

#### ACTION TAKEN BY BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD

DATE OF BOARD MEETING: July 12, 2016 PAGE: 1

MOTION/ INTRODUCED/

RES. NO. SUBMITTED BY SUBJECT OF RESOLUTION/MOTION ADOPTED AMENDED CORRECTED DEFEATED REFERRED TABLED WITHDRAWN

| Resolution |          |   |    | : |  |  |  |
|------------|----------|---|----|---|--|--|--|
| 2016-31    | BOARD    | MONTHLY REPORTS JULY  | XX |   |  |  |  |
|            |          |   |    |   |  |  |  |
| MOTIONS    |          |   |    |   |  |  |  |
| 57         | COONAN   | Approve minutes from June 14, 2016  | xx |   |  |  |  |
| 58         | GROMASKI | Receive correspondence PGIM call for capital for PRISA investment   | xx |   |  |  |  |
| 59         | COONAN   | Receive correspondence regarding rebalance asset allocation Columbia, Cornerstone, Mackay Shields, and MFS. | xx |   |  |  |  |
| 60         | MORSE    | Receive correspondence to Northern Trust to process capital call.   | xx |   |  |  |  |
| 61         | KRYGIER  | Receive correspondence from PGIM regarding operating cash flow distribution                                 | xx |   |  |  |  |
| 62         | KRYGIER  | Receive correspondence from PGIM minutes of PRISA Advisory Council meeting.                                 | xx |   |  |  |  |
| 63         | PETT     | Receive correspondence regarding European Union Referendum BREXIT – PGIM, Schroders, and Loomis Sayles      | xx |   |  |  |  |
| 64         | KRYGIER  | Adjourn meeting   | XX |   |  |  |  |
|            |          |   |    |   |  |  |  |

#### BAY COUNTY RETIREMENT BOARD 7/12/2016 RESOLUTION

| BY:                  | BAY COUNTY RETIREMENT BOARD   |
|----------------------|---|
| RESOLVED             | By the Bay County Retirement Board that the following reports are received:   |
| 1.<br>2.<br>3.<br>4. | PORTFOLIO VALUE - 1/1/16 - 6/30/16 CHANGE IN BOOK AND MARKET VALUE - 5/31/16 MONEY MANAGERS ON WATCH - NONE MONEY MANAGER REPORTS a. CORNERSTONE - ENDING 5/31/16 b. EAGLE ASSET MGMT - ENDING 5/31/16 c. HOTCHKIS & WILEY - ENDING 5/31/16 d. LOOMIS SAYLES - ENDING 5/31/16 e MACKAY SHIELDS - ENDING 5/31/16 f. MFS HERITAGE TRUST - ENDING 5/31/16 g. MFS INVESTMENT - ENDING 5/31/16 h. SCHRODERS - ENDING 5/31/16 |
| 5.                   | RECAPTURE SERVICES  a. ABEL/NOSER - SUMMARY ENDING 5/31/16 AND 2016 Q 1 REPORT  b. CAPIS - SUMMARY ENDING 5/31/16   |
| 6.                   | NORTHERN TRUST SUMMARY EARNINGS -5/31/16  |
| 7.                   | REFUNDS/RETIREMENTS -ENDING 6/30/16   |
| 8.                   | BCERS YTD BUDGET REPORT - ENDING 6/30/16  |
| q                    | APPROVED EXPENSES - 6/30/16   |

#### STEVE GRAY, CHAIR AND BOARD

#### MONTHLY REPORTS JULY

| MOVED BY TRU<br>SUPPORTED BY         |              |     | oona<br>Kr | n<br>γgier              |  |                  |   |                        |   |   | _ |
|--------------------------------------|--------------|-----|------------|-------------------------|--|------------------|---|------------------------|---|---|---|
| TRUSTEE                              |              | Y N | E          | TRUSTEE                 | Υ                                      | N                | E | TRUSTEE                | Υ | N | E |
| Richard Brzezir                      | nski         | x   |            | Steve Gray              | x                                      |                  |   | Jon Morse              | x |   |   |
| Kim Coonan                           |              | ×   |            | Richard Gromaski        | x                                      |                  |   | Matthew Pett           | x |   |   |
| Kristal Goetz                        |              | x   |            | Ernie Krygier           | ×                                      |                  |   | Thomas<br>Starkweather | x |   |   |
| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas | 9   | -<br>-     |                         | used <sub>-</sub><br>used <sub>-</sub> |                  | _ |                        |   |   |   |
| Disposition:                         | Adop<br>Ame  |     |            | _ Defeated<br>Corrected |  | ithdra<br>ferred | _ |                        |   |   |   |

|               | ((LD D): _\tau_jgiot     |  |
|---------------|--------------------------|--|
| MOTION SUPPOR | RTED BY:_ <u>Krygier</u> |  |
| MOTION MOVED  | BY: <u>Coonan</u>        |  |
| MEETING DATE: | <u>July 12, 2016</u>     |  |

MOTION 57: Moved, supported and carried to approve the minutes, as printed, from the June 14, 2016 meeting.

| TRUSTEE            | Y | N | E | TRUSTEE          | Υ | N | E | TRUSTEE             | Υ | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski |   |   | х | Steve Gray       | x |   |   | Jon Morse           | х |   |   |
| Kim Coonan         | x |   |   | Richard Gromaski | × |   |   | Matthew Pett        |   |   | х |
| Kristal Goetz      | x |   |   | Ernie Krygier    | x |   |   | Thomas Starkweather |   |   | х |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas7_ | Nays<br>Nays_0_ | Excused<br>Excused _2 |
|--------------------------------------|----------------|-----------------|-----------------------|
| Disposition:                         | Adopted_x      | Defeated        | Withdrawn             |
|                                      | Amended        | Corrected       | Referred              |

| MEETING DATE: July 12, 2016 |  |  |
|-----------------------------|--|--|
| MOTION MOVED BY: Gromaski   |  |  |
| MOTION SUPPORTED BY: Morse  |  |  |
| MOTION NO.: <u>58</u>       |  |  |
|                             |  |  |
|                             |  |  |

#### MOTION 58:

Moved, supported and carried to receive correspondence from PGIM regarding call for capital for PRISA Real Estate Investment.

| TRUSTEE            | Y | N | Е | TRUSTEE          | Υ | N | Е | TRUSTEE             | Υ | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | x |   |   | Steve Gray       | x |   |   | Jon Morse           | х |   |   |
| Kim Coonan         | x |   |   | Richard Gromaski | x |   |   | Matthew Pett        | х |   |   |
| Kristal Goetz      | x |   |   | Ernie Krygier    | x |   |   | Thomas Starkweather | х |   |   |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas_9 | Nays<br>Nays_0_ | Excused<br>Excused _0 |
|--------------------------------------|----------------|-----------------|-----------------------|
| Disposition:                         | AdoptedX_      | Defeated        | Withdrawn             |
|                                      | Amended        | Corrected       | Referred              |

#### MOTION 59:

Moved supported and carried to receive correspondence regarding rebalance asset allocation from Columbia, Cornerstone, Mackay Shields, and MFS.

| TRUSTEE            | Y | N | Ε | TRUSTEE          | Υ | N | Ε | TRUSTEE             | Υ | N | Е |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | x |   |   | Steve Gray       | x |   |   | Jon Morse           | х |   |   |
| Kim Coonan         | х |   |   | Richard Gromaski | x |   |   | Matthew Pett        | x |   |   |
| Kristal Goetz      | × |   |   | Ernie Krygier    | × |   |   | Thomas Starkweather | х |   |   |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas_9 | Nays<br>Nays_0_ | _ Excused<br>Excused _0 |
|--------------------------------------|----------------|-----------------|-------------------------|
| Disposition:                         | AdoptedX_      | Defeated        | Withdrawn               |
|                                      | Amended        | Corrected       | Referred                |

| MEETING DATE: July 12, 2016 |  |
|-----------------------------|--|
| MOTION MOVED BY: Morse      |  |
| MOTION SUPPORTED BY: Pett_  |  |
| MOTION NO.: <u>60</u>       |  |
|                             |  |

#### MOTION 60:

Moved, supported and carried to receive correspondence to Northern Trust to process Capital Call.

| TRUSTEE            | Υ | N | Е | TRUSTEE          | Υ | N | Е | TRUSTEE             | Υ | N | Е |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | × |   |   | Steve Gray       | х |   |   | Jon Morse           | х |   |   |
| Kim Coonan         | х |   |   | Richard Gromaski | х |   | 1 | Matthew Pett        | х |   |   |
| Kristal Goetz      | х |   |   | Ernie Krygier    | Х |   |   | Thomas Starkweather | x |   |   |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas_9 | Nays<br>Nays_0_ | Excused<br>Excused _0 |
|--------------------------------------|----------------|-----------------|-----------------------|
| Disposition:                         | Adopted X      | Defeated        | Withdrawn             |
| •                                    | Amended        | _Corrected      | Referred              |

| MEETING DATE: July 12, 2016     |  |
|---------------------------------|--|
| MOTION MOVED BY: <u>Krygier</u> |  |
| MOTION SUPPORTED BY: Gromaski   |  |
| MOTION NO.: 61                  |  |
|                                 |  |

#### MOTION 61:

Moved, supported and carried to receive correspondence from PGIM regarding operating cash flow distribution.

| TRUSTEE            | Υ | N | Е | TRUSTEE          | Υ | N | Ε | TRUSTEE             | Υ | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | х |   |   | Steve Gray       | х |   |   | Jon Morse           | х |   |   |
| Kim Coonan         | х |   |   | Richard Gromaski | х |   |   | Matthew Pett        | х |   |   |
| Kristal Goetz      | x |   |   | Ernie Krygier    | x |   |   | Thomas Starkweather | х |   |   |

| Roll Call:<br>Voice: | Yeas<br>Yeas9_ | Nays<br>Nays_0_ | _ Excused<br>Excused _0 |
|----------------------|----------------|-----------------|-------------------------|
| Disposition:         | Adopted_X      | Defeated        | Withdrawn               |
|                      | Amended        | Corrected       | Referred                |

| MEETING DATE: July 12, 2016 |  |
|-----------------------------|--|
| MOTION MOVED BY: Krygier    |  |
| MOTION SUPPORTED BY: Pett_  |  |
| MOTION NO.: <u>62</u>       |  |
|                             |  |

#### MOTION 62:

Moved, supported and carried to receive correspondence from PGIM of Minutes of PRISA Advisory Council meeting.

| TRUSTEE            | Υ | N | Е | TRUSTEE          | Υ | N | E | TRUSTEE             | Υ | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | х |   |   | Steve Gray       | x |   |   | Jon Morse           | × |   |   |
| Kim Coonan         | x |   |   | Richard Gromaski | х |   |   | Matthew Pett        | х |   |   |
| Kristal Goetz      | х |   |   | Ernie Krygier    | Х |   |   | Thomas Starkweather | х |   |   |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas9_ | Nays<br>Nays_0_ | _ Excused<br>Excused _0 |
|--------------------------------------|----------------|-----------------|-------------------------|
| Disposition:                         | Adopted X      | Defeated        | Withdrawn               |
| •                                    | Amended        | Corrected       | Referred                |

| MEETING DATE: July 12, 2016 |      |  |
|-----------------------------|------|--|
| MOTION MOVED BY: Pett       |      |  |
| MOTION SUPPORTED BY: Goetz  |      |  |
| MOTION NO.: <u>63</u>       |      |  |
|                             | <br> |  |

#### MOTION 63:

Moved, supported and carried to receive correspondence regarding European Union Referendum BREXIT from PGIM, Schroders, and Loomis Sayles.

| TRUSTEE            | Y | N | E | TRUSTEE          | Y | N | Е | TRUSTEE             | Υ | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | × |   |   | Steve Gray       | x |   |   | Jon Morse           | x |   |   |
| Kim Coonan         | х |   |   | Richard Gromaski | х |   |   | Matthew Pett        | х |   |   |
| Kristal Goetz      | х |   |   | Ernie Krygier    | х |   |   | Thomas Starkweather | х |   |   |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas9_ | Nays<br>Nays_0_ | Excused   |
|--------------------------------------|----------------|-----------------|-----------|
| Disposition:                         | Adopted X      | Defeated        | Withdrawn |
| '                                    | Amended        | Corrected       | Referred  |

| MEETING DATE: July 12, 2016 |
|-----------------------------|
| MOTION MOVED BY: Krygier    |
| MOTION SUPPORTED BY: Coonan |
| MOTION NO.: <u>64</u>       |
|                             |

MOTION 64: Moved, supported and carried to adjourn the meeting at1:50 p.m.

| TRUSTEE            | Υ | N | E | TRUSTEE          | Υ | N | E | TRUSTEE             | Υ | N | Е |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | х |   |   | Steve Gray       | х |   |   | Jon Morse           | x |   |   |
| Kim Coonan         | x |   |   | Richard Gromaski | х |   |   | Matthew Pett        | x |   |   |
| Kristal Goetz      | × |   |   | Ernie Krygier    | х |   |   | Thomas Starkweather | x |   |   |

| Vote Totals:<br>Roll Call:<br>Voice: | Yeas<br>Yeas_9 | Nays<br>Nays_0 | Excused   |
|--------------------------------------|----------------|----------------|-----------|
| Disposition:                         | Adopted_X      | Defeated       | Withdrawn |
| ·                                    | Amended        | _Corrected     | Referred  |